

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN ASSEMBLY JUNE 15, 2006

AMENDED IN ASSEMBLY MAY 15, 2006

AMENDED IN SENATE FEBRUARY 27, 2006

SENATE BILL

No. 1196

**Introduced by Committee on Local Government (Senators Kehoe
(Chair), Ackerman, Cox, Machado, and Torlakson)**

January 24, 2006

An act to amend Sections 8855, 16271, 26920, 27008, 27009, 39578, 39584, 53232.2, 53234, 53235.1, 53359.5, 58950, 61068, 61107, 61116, 65457, 66016, 66022, 66448, and 66499.7 of, and to repeal Section 27063 of, the Government Code, to amend Sections 2051, 33327, 33375, and 40980 of the Health and Safety Code, to amend Sections 20736, 22032, and 22034 of the Public Contract Code, to amend Sections 13215 and 13216 of, to add Section 5784.2 to, and to repeal Chapter 5 (commencing with Section 5790) of Division 5 of, the Public Resources Code, to and to amend Section 2215 of the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as amended, Committee on Local Government. Local Government Omnibus Act of 2006.

(1) Existing law establishes the California Debt and Investment Advisory Commission and requires it to perform specified activities relating to state and local debt issuance and other governmental financing matters. Existing law requires state and local bond issuers to send certain information about their bond issues to the commission by mail.

This bill would also authorize that information to be submitted by any other method approved by the commission.

(2) Existing law defines “special district” for purposes of state subventions to compensate for property tax revenue reductions.

This bill would correct an incorrect cross-reference in that definition.

(3) Existing law requires the county auditor to perform, at least quarterly, a review of the treasurer’s statement of assets in the county treasury in accordance with the Statements on Standards for Accounting and Review Standards issued by the American Institute of Certified Public Accountants.

This bill would instead require the county auditor to perform, or cause to be performed, a review of the treasurer’s statement of assets in the county treasury in accordance with the appropriate professional standards, as determined by the county auditor, and would require each county to fund and allocate the cost of the review.

(4) Existing law prohibits the county treasurer from receiving money into the treasury or for deposit unless it is accompanied by the certificate of the auditor, but permits the auditor and the treasurer to establish alternate control procedures. Existing law requires the treasurer to give a receipt to any person who pays money to the treasurer and requires the receipt to be deposited with the auditor who then gives a receipt to the person paying the money. Existing law requires county treasurers to give county supervisors a monthly report of funds received and disbursed.

This bill would require the alternate control procedures to permit the treasurer to receive or deposit money without the certificate of the auditor, and would require only the treasurer to give a receipt to each person who deposits money into the county treasury. The bill would repeal the requirement of the monthly report by the county treasurer to the county supervisors.

(5) Existing law makes references to city assessors although county assessors now assess property values.

This bill would delete those obsolete references.

(6) Existing law requires local officials, as designated by the legislative body of a local agency, to take ethics training courses.

This bill instead would specify that the local officials are to be designated by the governing body of a local agency and would make a technical change.

(7) Existing law limits local official's compensation and imposes certain requirements on their claims for reimbursing expenses.

This bill would expressly provide that a local official may pay additional costs above the allowed limits, at his or her expense.

(8) Existing law requires each local agency official in local agency service as of January 1, 2006, except for those officials whose term of office ends before January 1, 2007, to receive specified ethics training.

This bill would revise that exception to include local officials whose term of office ends before January 9, 2007.

(9) Existing law requires local officials to report specified information concerning the sale of Mello-Roos Community Facilities Act bonds to the California Debt and Investment Advisory Commission by mail.

This bill would specify additional information to be included in the reports that may also be provided by any other method approved by the commission.

(10) Existing law, the Community Services District Law cross-references laws governing the reimbursements of local government officials except for travel costs.

This bill would cross-reference those provisions governing reimbursement of travel costs.

(11) The Planning and Zoning Law specifies the requirements for adopting and implementing specific plans.

This bill would delete an obsolete cross-reference in that law to a provision of the California Environmental Quality Act relating to environmental impacts for residential development projects and would declare that this is not a substantive change in that law.

(12) The Uniform Standby Charge Procedures Act establishes procedures for any local agency authorized by law to provide water, sewer, or water and sewer service, and authorized to collect standby or availability charges or assessments in connection with that service, to fix, give notice of, and collect those charges. Article XIII D of the California Constitution and implementing statutes limit local officials' powers to levy benefit assessments.

This bill would amend that act to conform its provisions to the statutes implementing Article XIII D. This bill would amend provisions of various acts that authorize counties, cities, and special districts to impose standby or availability charges on assessments to conform to the revised Uniform Standby Charge Procedures Act.

(13) The Mitigation Fee Act specifies how local governmental officials impose fees to recover the costs of processing applications for the costs of processing applications for development projects.

This bill would delete an obsolete cross-reference to a fee that has been consolidated with other fees and revise another cross-reference.

(14) The Subdivision Map Act regulates how counties and cities approve the conversion of large landholdings into separate parcels. In those procedures, the Legislature generally employed the term “local agency” to refer to counties and cities.

This bill would conform a provision of that act concerning the posting of security by subdividers to delete the term “public entity” and instead use “local agency.”

(15) Under the Subdivision Map Act, where a parcel map is required, the parcel map, if not based on a field survey conforming to the Land Surveyors Act, may be based on the compilation of recorded or filed data when sufficient survey information exists on filed maps to locate and retrace the exterior boundary lines of the parcel map.

This bill instead would require that compilation be from recorded or filed data when sufficient recorded or filed survey monumentation exists to enable the retracement of exterior boundary lines of the parcel map and the establishment of the interior parcel or lot lines of the parcel map.

(16) Existing law limits local officials’ compensation and imposes certain restrictions on claims for reimbursement.

This bill would make an additional cross-reference to that law in the Mosquito and Vector Control District Law.

(17) Existing law requires that redevelopment officials send specified information concerning a preliminary redevelopment plan to the county auditor, county assessor, and county tax collector.

This bill would revise those provisions to require the information to be sent to the county auditor and county assessor.

(18) Existing law governing the composition of the Sacramento Metropolitan Air Quality Management District’s Board of Directors requires city representatives to be appointed by the city selection committee.

This bill, instead, would require generally that the city representatives shall be selected by the city council of the city that they represent, thereby imposing a state-mandated local program.

(19) The Public Contract Code provides procedures that local agencies are required to follow when they build public works projects.

When local agencies voluntarily use the Uniform Public Construction Cost Accounting Act, they may use their own employees for projects worth \$25,000 or less, while projects worth \$100,000 or less require informal bids and those worth more than \$100,000 require formal bids. With respect to projects worth less than \$100,000, if all the informal bids received are in excess of \$100,000, the governing board of the public agency may adopt a resolution by a $\frac{4}{5}$ vote to award the contract at \$110,000 to the lowest responsible bidder, as specified.

This bill would increase those limits from \$25,000 to \$30,000, from \$100,000 to \$125,000, and from \$110,000 to \$137,500, respectively.

(20) The Recreation and Park District Law was recently repealed and reenacted.

This bill would repeal 2 obsolete provisions of that law that were not repealed at that time. The bill would also allow a consolidated recreation and park district to have a temporarily larger governing board of 7, 9, or 11 members subject to the approval of the local agency formation commission.

(21) Existing law defines special district for purposes of reimbursement of costs mandated by the state in terms of its statutory authority to levy a property tax rate.

This bill would additionally specify, for those purposes, that a special district is also one that is statutorily authorized to receive an allocation of property tax revenues.

(22) The bill would correct various drafting errors relating to local government.

(23) *This bill would incorporate additional changes to Section 53359.5 of the Government Code proposed by SB 1432 to be operative only if this bill and SB 1432 are both enacted and become effective on or before January 1, 2007, and this bill is enacted last.*

~~(23)~~

(24) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) This act shall be known and may be cited as
2 the Local Government Omnibus Act of 2006.

3 (b) The Legislature finds and declares that Californians want
4 their governments to be run efficiently and economically and that
5 public officials should avoid waste and duplication whenever
6 possible. The Legislature further finds and declares that it desires
7 to control its own costs by reducing the number of separate bills.
8 Therefore, it is the intent of the Legislature in enacting this act to
9 combine several minor, noncontroversial statutory changes
10 relating to local government into a single measure.

11 SEC. 2. Section 8855 of the Government Code is amended to
12 read:

13 8855. (a) There is created the California Debt and Investment
14 Advisory Commission, consisting of nine members, selected as
15 follows:

16 (1) The Treasurer, or his or her designee.

17 (2) The Governor or the Director of Finance.

18 (3) The Controller, or his or her designee.

19 (4) Two local government finance officers appointed by the
20 Treasurer, one each from among persons employed by a county
21 and by a city or a city and county of this state, experienced in the
22 issuance and sale of municipal bonds and nominated by
23 associations affiliated with these agencies.

24 (5) Two Members of the Assembly appointed by the Speaker
25 of the Assembly.

26 (6) Two Members of the Senate appointed by the Senate
27 Committee on Rules.

28 (b) (1) The term of office of an appointed member is four
29 years, but appointed members serve at the pleasure of the
30 appointing power. In case of a vacancy for any cause, the
31 appointing power shall make an appointment to become effective
32 immediately for the unexpired term.

33 (2) Any legislators appointed to the commission shall meet
34 with and participate in the activities of the commission to the
35 extent that the participation is not incompatible with their
36 respective positions as Members of the Legislature. For purposes
37 of this chapter, the Members of the Legislature shall constitute a
38 joint interim legislative committee on the subject of this chapter.

1 (c) The Treasurer shall serve as chairperson of the commission
2 and shall preside at meetings of the commission.

3 (d) Appointed members of the commission shall not receive a
4 salary, but shall be entitled to a per diem allowance of fifty
5 dollars (\$50) for each day's attendance at a meeting of the
6 commission not to exceed three hundred dollars (\$300) in any
7 month, and reimbursement for expenses incurred in the
8 performance of their duties under this chapter, including travel
9 and other necessary expenses.

10 (e) The commission may adopt bylaws for the regulation of its
11 affairs and the conduct of its business.

12 (f) The commission shall meet on the call of the chairperson,
13 at the request of a majority of the members, or at the request of
14 the Governor. A majority of all nonlegislative members of the
15 commission constitutes a quorum for the transaction of business.

16 (g) The office of the Treasurer shall furnish all administrative
17 and clerical assistance required by the commission.

18 (h) The commission shall do all of the following:

19 (1) Assist all state financing authorities and commissions in
20 carrying out their responsibilities as prescribed by law, including
21 assistance with respect to federal legislation pending in Congress.

22 (2) Upon request of any state or local government units, to
23 assist them in the planning, preparation, marketing, and sale of
24 new debt issues to reduce cost and to assist in protecting the
25 issuer's credit.

26 (3) Collect, maintain, and provide comprehensive information
27 on all state and all local debt authorization and issuance, and
28 serve as a statistical clearinghouse for all state and local debt
29 issues. This information shall be readily available upon request
30 by any public official or any member of the public.

31 (4) Maintain contact with state and municipal bond issuers,
32 underwriters, credit rating agencies, investors, and others to
33 improve the market for state and local government debt issues.

34 (5) Undertake or commission studies on methods to reduce the
35 costs and improve credit ratings of state and local issues.

36 (6) Recommend changes in state laws and local practices to
37 improve the sale and servicing of state and local debts.

38 (7) Establish a continuing education program for local officials
39 having direct or supervisory responsibility over municipal
40 investments, and debt issuance. The commission shall undertake

1 these and any other activities necessary to disclose investment
2 and debt issuance practices and strategies that may be conducive
3 for oversight purposes.

4 (8) Collect, maintain, and provide information on local agency
5 investments of public funds for local agency investment.

6 (9) Publish a monthly newsletter describing and evaluating the
7 operations of the commission during the preceding month.

8 (i) The city, county, or city and county investor of any public
9 funds, no later than 60 days after the close of the second and
10 fourth quarters of each calendar year, shall provide the quarterly
11 reports required pursuant to Section 53646 and, no later than 60
12 days after the close of the second quarter of each calendar year
13 and 60 days after the subsequent amendment thereto, provide the
14 statement of investment policy required pursuant to Section
15 53646, to the commission by mail, postage prepaid, or by any
16 other method approved by the commission. The commission
17 shall collect these reports to further its educational
18 responsibilities as described under subdivision (e). Nothing in
19 this section shall be construed to create additional oversight
20 responsibility for the commission or any of its members. Sole
21 responsibility for control, oversight, and accountability of local
22 investment decisions shall remain with local officials. The
23 commission shall not be considered to have any fiduciary duty
24 with respect to any local agency income report received under
25 this subdivision. In addition, the commission shall not have any
26 legal liability with respect to these investments.

27 (j) The commission, no later than May 1, 2006, shall report to
28 the Legislature describing its activities since the inception of the
29 local agency investment reporting program regarding the
30 collection and maintenance of information on local agency
31 investment reporting practices and how the commission uses that
32 information to fulfill its statutory goals.

33 (k) The issuer of any proposed new debt issue of state or local
34 government shall, no later than 30 days prior to the sale of any
35 debt issue at public or private sale, give written notice of the
36 proposed sale to the commission, by mail, postage prepaid, or by
37 any other method approved by the commission. This subdivision
38 shall also apply to any nonprofit public benefit corporation
39 incorporated for the purpose of acquiring student loans. The
40 notice shall include the proposed sale date, the name of the

1 issuer, the type of debt issue, and the estimated principal amount
2 of the debt. Failure to give this notice shall not affect the validity
3 of the sale.

4 (I) The issuer of any new debt issue of state or local
5 government, not later than 45 days after the signing of the bond
6 purchase contract in a negotiated or private financing, or after the
7 acceptance of a bid in a competitive offering, shall submit a
8 report of final sale to the commission by mail, postage prepaid,
9 or by any other method approved by the commission. A copy of
10 the final official statement for the issue shall accompany the
11 report of final sale. The commission may require information to
12 be submitted in the report of final sale that it considers
13 appropriate.

14 SEC. 3. Section 16271 of the Government Code is amended
15 to read:

16 16271. As used in this chapter:

17 (a) "Governing body" means the board of supervisors except
18 that in the case of a subsidiary district "governing body" means
19 the city council, and in the case of a multi-county district
20 "governing body" means the governing body of the multi-county
21 district itself.

22 (b) "Local fiscal officer" means the county auditor for all
23 special districts within the county, except that in the case of a
24 subsidiary district "local fiscal officer" means the city treasurer;
25 and in the case of a multi-county district "local fiscal officer"
26 means the treasurer of the district.

27 (c) "Multi-county district" means any special district which
28 includes territory in more than one county.

29 (d) "Special district" means any agency of the state for the
30 local performance of governmental or proprietary functions
31 within limited boundaries. "Special district" includes a county
32 service area, a maintenance district or area, an improvement
33 district or improvement zone, or any other zone or area formed
34 for the purpose of designating an area within which a property
35 tax rate will be levied to pay for a service or improvement
36 benefitting that area.

37 County free libraries established pursuant to Chapter 2
38 (commencing with Section 27151) of Division 20 of the
39 Education Code; areas receiving county fire protection services
40 pursuant to Section 25643 of the Government Code; and county

1 road districts established pursuant to Chapter 7 (commencing
2 with Section 1550) of Division 2 of the Streets and Highways
3 Code, shall be considered “special districts” for all purposes of
4 this chapter.

5 “Special district” does not include a city, a county, a school
6 district or a community college district. “Special district” does
7 not include any agency which is not authorized to levy a property
8 tax rate, except the Bay Area Pollution Control District.

9 (e) “Subsidiary district” means a special district in which the
10 city council of a city has been empowered to act as ex officio
11 members of the board of directors of such district and either:

12 (1) The entire territory of such district is included within the
13 boundaries of a city, or

14 (2) A portion or portions of the territory of such district is
15 included within the boundaries of a city and such portion or
16 portions:

17 (i) Represent 70 percent or more of the area of taxable or
18 assessable land within such district, as shown on the last
19 equalized assessment roll; and

20 (ii) Contains 70 percent or more of the number of registered
21 voters who reside within the district as shown on the voters’
22 registrar in the office of the county clerk or registrar of voters.

23 (f) “General fund reserves” means the general fund reserve
24 balance as of July 1, 1978, that is not legally obligated. General
25 fund reserves shall not include:

26 (1) Noncash assets such as stores, inventory, property and
27 buildings, or other investments purchased prior to June 6, 1978.

28 (2) Any amounts for self-insurance, for contractual
29 obligations, or for reserves established by law or a legislative
30 body of the county, city, or special district, as the case may be.

31 (3) Any amounts restricted by law or court order.

32 (4) Any amounts committed to a capital outlay project
33 approved prior to June 6, 1978, by the governing body.

34 (g) For the purpose of this chapter, the amount of property tax
35 levied pursuant to existing law, for the purpose of making annual
36 payments for the interest and principal on outstanding general
37 obligation bonds or other indebtedness approved by the voters
38 prior to July 1, 1978, shall be excluded from all calculations.

39 SEC. 4. Section 26920 of the Government Code is amended
40 to read:

1 26920. (a) At least once in each quarter, the county auditor
2 shall perform, or cause to be performed, a review of the
3 treasurer's statement of assets in the county treasury. Each
4 county shall fund and allocate the cost of the review in
5 accordance with that county's established budgetary practice.
6 The auditor's review shall be accomplished in accordance with
7 the appropriate professional standards, as determined by the
8 county auditor. The treasurer shall prepare a statement showing
9 the amount and type of assets in the county treasury as of the date
10 of the review. The review shall include:

- 11 (1) Counting cash in the county treasury.
- 12 (2) Verifying that the records of the county treasurer and
13 auditor are reconciled pursuant to Section 26905.
- 14 (3) A report to the board of supervisors issued in accordance
15 with the appropriate professional standards, as determined by the
16 county auditor.

17 (b) The auditor shall, at least annually, perform or cause to be
18 performed an audit of the assets in the county treasury and
19 express an opinion whether the treasurer's statement of assets is
20 presented fairly and in accordance with generally accepted
21 accounting principles. The audit report shall be addressed to the
22 board of supervisors. The review required by subdivision (a)
23 need not be performed for the period when an audit is conducted
24 in accordance with this subdivision.

25 SEC. 5. Section 27008 of the Government Code is amended
26 to read:

27 27008. (a) The treasurer shall not receive money into the
28 treasury or for deposit with him or her as treasurer, unless it is
29 accompanied by the certificate of the auditor.

30 (b) Notwithstanding subdivision (a), the auditor and treasurer
31 may establish alternate control procedures for the treasurer to
32 receive or deposit money without the certificate of the auditor.

33 SEC. 6. Section 27009 of the Government Code is amended
34 to read:

35 27009. The treasurer shall give a receipt to each person who
36 deposits money into the county treasury.

37 SEC. 7. Section 27063 of the Government Code is repealed.

38 SEC. 8. Section 39578 of the Government Code is amended
39 to read:

1 39578. Except as provided in Section 39577, after
2 confirmation of the report, a copy shall be given to the county
3 auditor, who shall add the amount of the assessment to the next
4 regular tax bill levied against the parcel for municipal purposes.

5 SEC. 9. Section 39584 of the Government Code is amended
6 to read:

7 39584. The superintendent may receive the amount due on
8 the abatement cost and issue receipts at any time after the
9 confirmation of the report and until 10 days before a copy is
10 given to the county auditor, or, where a certified copy is filed
11 with the county auditor, until August 1st following the
12 confirmation of the report.

13 SEC. 10. Section 53232.2 of the Government Code is
14 amended to read:

15 53232.2. (a) When reimbursement is otherwise authorized by
16 statute, a local agency may reimburse members of a legislative
17 body for actual and necessary expenses incurred in the
18 performance of official duties, including, but not limited to,
19 activities described in Article 2.4 (commencing with Section
20 53234).

21 (b) If a local agency reimburses members of a legislative body
22 for actual and necessary expenses incurred in the performance of
23 official duties, then the governing body shall adopt a written
24 policy, in a public meeting, specifying the types of occurrences
25 that qualify a member of the legislative body to receive
26 reimbursement of expenses relating to travel, meals, lodging, and
27 other actual and necessary expenses.

28 (c) The policy described in subdivision (b) may also specify
29 the reasonable reimbursement rates for travel, meals, and
30 lodging, and other actual and necessary expenses. If it does not,
31 the local agency shall use the Internal Revenue Service rates for
32 reimbursement of travel, meals, lodging, and other actual and
33 necessary expenses as established in Publication 463, or any
34 successor publication.

35 (d) If the lodging is in connection with a conference or
36 organized educational activity conducted in compliance with
37 subdivision (c) of Section 54952.2, including, but not limited to,
38 ethics training required by Article 2.4 (commencing with Section
39 53234), lodging costs shall not exceed the maximum group rate
40 published by the conference or activity sponsor, provided that

1 lodging at the group rate is available to the member of a
2 legislative body at the time of booking. If the group rate is not
3 available, the member of a legislative body shall use comparable
4 lodging that is consistent with the requirements of subdivisions
5 (c) and (e).

6 (e) Members of the legislative body shall use government and
7 group rates offered by a provider of transportation or lodging
8 services for travel and lodging when available.

9 (f) All expenses that do not fall within the adopted travel
10 reimbursement policy or the Internal Revenue Service
11 reimbursable rates as provided in subdivision (c), shall be
12 approved by the governing body, in a public meeting before the
13 expense is incurred, except as provided in subdivision (d).

14 (g) If a member of a legislative body chooses to incur
15 additional costs that are above the rates established pursuant to
16 this section and those costs have not been approved pursuant to
17 subdivision (f), then the member of a legislative body may do so
18 at his or her own expense.

19 (h) This section shall not supersede any other laws
20 establishing reimbursement rates for local agencies.

21 SEC. 11. Section 53234 of the Government Code is amended
22 to read:

23 53234. For the purposes of this article, the following terms
24 have the following meanings:

25 (a) "Legislative body" has the same meaning as specified in
26 Section 54952.

27 (b) "Local agency" means a city, county, city and county,
28 charter city, charter county, charter city and county, or special
29 district.

30 (c) "Local agency official" means the following:

31 (1) Any member of a local agency legislative body or any
32 elected local agency official who receives any type of
33 compensation, salary, or stipend or reimbursement for actual and
34 necessary expenses incurred in the performance of official duties.

35 (2) Any employee designated by a local agency governing
36 body to receive the training specified under this article.

37 (d) "Ethics laws" include, but are not limited to, the following:

38 (1) Laws relating to personal financial gain by public servants,
39 including, but not limited to, laws prohibiting bribery and
40 conflict-of-interest laws.

(2) Laws relating to claiming perquisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.

(3) Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

(4) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

SEC. 12. Section 53235.1 of the Government Code is amended to read:

53235.1. (a) Each local agency official in local agency service as of January 1, 2006, except for officials whose term of office ends before January 9, 2007, shall receive the training required by subdivision (a) of Section 53235 before January 1, 2007. Thereafter, each local agency official shall receive the training required by subdivision (a) of Section 53235 at least once every two years.

(b) Each local agency official who commences service with a local agency on or after January 1, 2006, shall receive the training required by subdivision (a) of Section 53235 no later than one year from the first day of service with the local agency. Thereafter, each local agency official shall receive the training required by subdivision (a) of Section 53235 at least once every two years.

(c) A local agency official who serves more than one local agency shall satisfy the requirements of this article once every two years without regard to the number of local agencies with which he or she serves.

SEC. 13. Section 53359.5 of the Government Code is amended to read:

53359.5. (a) The legislative body shall, no later than 30 days prior to the sale of any bonds pursuant to this article, give written notice of the proposed sale to the California Debt and Investment Advisory Commission by mail, postage prepaid, or by any other

1 method approved by the California Debt and Investment
2 Advisory Commission, as required by Chapter 11.5
3 (commencing with Section 8855) of Division 1 of Title 2.

4 (b) On and after January 1, 1993, each year after the sale of
5 any bonds, including refunding bonds, pursuant to this article,
6 and until the final maturity of the bonds, the legislative body
7 shall, not later than October 30 of each year, supply the following
8 information to the California Debt and Investment Advisory
9 Commission by mail, postage prepaid, or by any other method
10 approved by the California Debt and Investment Advisory
11 Commission:

- 12 (1) Issuer name.
- 13 (2) Community facilities district number or name.
- 14 (3) Name, title, and series of the bond issue.
- 15 (4) Credit rating and name of the rating agency.
- 16 (5) Date of the bond issue and the original principal amount.
- 17 (6) Reserve fund minimum balance required.
- 18 (7) The principal amount of bonds outstanding.
- 19 (8) The balance in the bond reserve fund.
- 20 (9) The balance in the capitalized interest fund, if any.
- 21 (10) The number of parcels that are delinquent with respect to
22 their special tax payments, the amount that each parcel is
23 delinquent, the total amount of special taxes due on the
24 delinquent parcels, the length of time that each has been
25 delinquent, when foreclosure was commenced for each
26 delinquent parcel, the total number of foreclosure parcels for
27 each date specified, and the total amount of tax due on the
28 foreclosure parcels for each date specified.
- 29 (11) The balance in any construction funds.
- 30 (12) The assessed value of all parcels subject to special tax to
31 repay the bonds as shown on the most recent equalized roll, the
32 date of assessed value reported, and the source of the
33 information.
- 34 (13) The total amount of special taxes due, the total amount of
35 unpaid special taxes, and whether or not the special taxes are
36 paid under the county's Teeter Plan (Chapter 6.6 (commencing
37 with Section 54773)).
- 38 (14) The reason and the date, if applicable, that the issue was
39 retired.

1 (15) Contact information for the party providing the
2 information.

3 (c) In addition, with respect to any bonds sold pursuant to this
4 article, regardless when sold, and until the final maturity of the
5 bonds, the legislative body shall notify the California Debt and
6 Investment Advisory Commission by mail, postage prepaid, or
7 by any other method approved by the California Debt and
8 Investment Advisory Commission, within 10 days if any of the
9 following events occur:

10 (1) The local agency or its trustee fails to pay principal and
11 interest due on any scheduled payment date.

12 (2) Funds are withdrawn from a reserve fund to pay principal
13 and interest on the bonds beyond levels set by the California
14 Debt and Investment Advisory Commission.

15 (d) Neither the legislative body nor the California Debt and
16 Investment Advisory Commission shall be liable for any
17 inadvertent error in reporting the information required by this
18 section.

19 *SEC. 13.5. Section 53359.5 of the Government Code is*
20 *amended to read:*

21 53359.5. (a) The legislative body shall, no later than 30 days
22 prior to the sale of any bonds pursuant to this article, give written
23 notice of the proposed sale to the California Debt and Investment
24 Advisory Commission by mail, postage prepaid, *or by any other*
25 *method approved by the California Debt and Investment*
26 *Advisory Commission*, as required by Chapter 11.5 (commencing
27 with Section 8855) of Division 1 of Title 2.

28 (b) On and after January 1, 1993, each year after the sale of
29 any bonds, including refunding bonds, pursuant to this article,
30 and until the final maturity of the bonds, the legislative body
31 shall, not later than October 30 of each year, supply the following
32 information to the California Debt and Investment Advisory
33 Commission by mail, postage prepaid, *or by any other method*
34 *approved by the California Debt and Investment Advisory*
35 *Commission*:

36 (1) *Issuer name.*

37 (2) *Community facilities district number or name.*

38 (3) *Name, title, and series of the bond issue.*

39 (4) *Credit rating and name of the rating agency.*

40 (5) *Date of the bond issue and the original principal amount.*

1 (6) *Reserve fund minimum balance required.*

2 ~~(1)~~

3 (7) The principal amount of bonds outstanding.

4 ~~(2)~~

5 (8) The balance in the bond reserve fund.

6 ~~(3)~~

7 (9) The balance in the capitalized interest fund, if any.

8 ~~(4)~~

9 (10) The number of parcels that are delinquent with respect to
10 their special tax payments, the amount that each parcel is
11 delinquent, *the total amount of special taxes due on the*
12 *delinquent parcels*, the length of time that each has been
13 delinquent, ~~and~~ when foreclosure was commenced for each
14 delinquent parcel, *The total number of foreclosure parcels for*
15 *each date specified, and the total amount tax due on the*
16 *foreclosure parcels for each date specified.*

17 ~~(5)~~

18 (11) The balance in any construction funds.

19 ~~(6)~~

20 (12) The assessed value of all parcels subject to special tax to
21 repay the bonds as shown on the most recent equalized roll, *the*
22 *date of assessed value reported, and the source of the*
23 *information.*

24 (13) *The total amount of special taxes due, the total amount of*
25 *unpaid special taxes, and whether or not the special taxes are*
26 *paid under the county's Teeter Plan (Chapter 6.6 (commencing*
27 *with Section 54773).*

28 (14) *The reason and the date, if applicable, that the issue was*
29 *retired .*

30 (15) *Contact information for the party providing the*
31 *information.*

32 (c) In addition, with respect to any bonds sold pursuant to this
33 article, regardless when sold, and until the final maturity of the
34 bonds, the legislative body shall notify the California Debt and
35 Investment Advisory Commission by mail, postage prepaid, *or*
36 *by any other method approved by the California Debt and*
37 *Investment Advisory Commission*, within 10 days if any of the
38 following events occur:

39 (1) The local agency or its trustee fails to pay principal and
40 interest due on any scheduled payment date.

1 (2) Funds are withdrawn from a reserve fund to pay principal
2 and interest on the bonds ~~beyond levels set by the California Debt~~
3 ~~and Investment Advisory Commission~~ *that reduce the reserve*
4 *fund to less than 85 percent of the reserve requirement.*

5 (d) Neither the legislative body nor the California Debt and
6 Investment Advisory Commission shall be liable for any
7 inadvertent error in reporting the information required by this
8 section.

9 SEC. 14. Section 58950 of the Government Code is amended
10 to read:

11 58950. If territory has been detached from a district and that
12 detached territory is subject to terms and conditions imposed by
13 the local agency formation commission pursuant to Section
14 56886 and those terms and conditions require that the detached
15 territory continue to be taxed for the payment of principal and
16 interest on outstanding bonds of the district, the governing body
17 of the district from which the territory was detached may absolve
18 and relieve the detached territory of its annual tax liability as
19 follows:

20 (a) The district board shall, by resolution, declare its intention
21 to relieve the detached territory of its annual tax liability for
22 payment of principal and interest on outstanding district bonds.
23 The resolution shall describe the detached territory, specify the
24 annual liability the territory will be relieved of, state the reason
25 or reasons why the detached territory should be relieved, and fix
26 a time, date, and place for a public hearing on the proposed relief
27 of liability.

28 (b) The district board shall cause notice of the hearing to be
29 published pursuant to Section 6066 in a newspaper of general
30 circulation published in the territory of the district and the
31 detached territory. The notice shall contain all the information
32 specified in subdivision (a), and in lieu of notice the district
33 board may cause a copy of the resolution required in subdivision
34 (a) to be published.

35 (c) At the time, date, and place stated in the notice, the district
36 board shall hear and consider all objections or protests to
37 relieving the detached territory of annual liability for payment of
38 principal and interest on outstanding district bonds. The hearing
39 may be continued from time to time. Upon conclusion of the
40 hearing, the district board shall determine by resolution, whether

1 or not the detached territory should be relieved and absolved of
2 any future annual tax liability for the outstanding bonds of the
3 district.

4 (d) If the district board determines that the detached territory
5 should be relieved of annual tax liability, it shall cause a copy of
6 its resolution to be filed pursuant to Section 54902 with the
7 Board of Equalization and the county assessor of the county in
8 which the territory is located. The detached territory shall be
9 relieved and absolved of the annual tax liability for outstanding
10 district bonds imposed by the local agency formation
11 commission in the year next succeeding adoption of the
12 resolution when assessments or taxes are to be levied for
13 payment of the principal and interest on the bonds.

14 Nothing in this section shall be construed as in any way
15 limiting the power of a bondholder to enforce his or her
16 contractual rights and nothing in this section shall affect the
17 ultimate liability of that detached territory for the bonded
18 indebtedness of the district in case of default. This section is
19 intended to provide a means of relieving territory detached from
20 a district from annual assessments for the principal and interest
21 on bonded indebtedness when that territory is no longer receiving
22 the services for which the bonded indebtedness was incurred.

23 SEC. 15. Section 61068 of the Government Code is amended
24 to read:

25 61068. A board of directors may authorize its members and
26 the employees of the district to attend professional or vocational
27 meetings and conferences. A board of directors may reimburse
28 its members and the employees of the district for their
29 documented, actual, and necessary traveling and incidental
30 expenses while on official business. Reimbursement for these
31 expenses is subject to Sections 53232.2 and 53232.3.

32 SEC. 16. Section 61107 of the Government Code is amended
33 to read:

34 61107. (a) If a board of directors desires to divest itself of a
35 power that is authorized pursuant to this chapter and if the
36 termination of that power would require another public agency to
37 provide a new or higher level of services or facilities, the district
38 shall first receive the approval of the local agency formation
39 commission. To the extent feasible, the local agency formation
40 commission shall proceed pursuant to Article 1.5 (commencing

1 with Section 56824.10) of Chapter 5 of Part 3 of Division 3.
2 After receiving the approval of the local agency formation
3 commission, the board of directors may, by ordinance, divest
4 itself of that power.

5 (b) Notwithstanding subdivision (a) of Section 56824.14, the
6 local agency formation commission shall not, after a public
7 hearing called and held for that purpose pursuant to subdivisions
8 (b) and (c) of Section 56824.14, approve a district's proposal to
9 exercise a latent power if the local agency formation commission
10 determines that another local agency already provides
11 substantially similar services or facilities to the territory where
12 the district proposes to exercise that latent power.

13 (c) If a board of directors desires to divest itself of a power
14 that is authorized pursuant to this chapter and if the termination
15 of that power would not require another public agency to provide
16 a new or higher level of services or facilities, the board of
17 directors may, by ordinance, divest itself of that power.

18 SEC. 17. Section 61116 of the Government Code is amended
19 to read:

20 61116. (a) A district may accept any revenue, money, grants,
21 goods, or services from any federal, state, regional, or local
22 agency or from any person for any lawful purpose of the district.

23 (b) In addition to any other existing authority, a district may
24 borrow money and incur indebtedness pursuant to Article 7
25 (commencing with Section 53820), Article 7.5 (commencing
26 with Section 53840), Article 7.6 (commencing with Section
27 53850), and Article 7.7 (commencing with Section 53859) of
28 Chapter 4 of Part 1 of Division 2 of Title 5.

29 SEC. 18. Section 65457 of the Government Code is amended
30 to read:

31 65457. (a) Any residential development project, including
32 any subdivision, or any zoning change that is undertaken to
33 implement and is consistent with a specific plan for which an
34 environmental impact report has been certified after January 1,
35 1980, is exempt from the requirements of Division 13
36 (commencing with Section 21000) of the Public Resources Code.
37 However, if after adoption of the specific plan, an event as
38 specified in Section 21166 of the Public Resources Code occurs,
39 the exemption provided by this subdivision does not apply unless
40 and until a supplemental environmental impact report for the

1 specific plan is prepared and certified in accordance with the
2 provisions of Division 13 (commencing with Section 21000) of
3 the Public Resources Code. After a supplemental environmental
4 impact report is certified, the exemption specified in this
5 subdivision applies to projects undertaken pursuant to the
6 specific plan.

7 (b) An action or proceeding alleging that a public agency has
8 approved a project pursuant to a specific plan without having
9 previously certified a supplemental environmental impact report
10 for the specific plan, where required by subdivision (a), shall be
11 commenced within 30 days of the public agency's decision to
12 carry out or approve the project.

13 SEC. 19. Section 66016 of the Government Code is amended
14 to read:

15 66016. (a) Prior to levying a new fee or service charge, or
16 prior to approving an increase in an existing fee or service
17 charge, a local agency shall hold at least one open and public
18 meeting, at which oral or written presentations can be made, as
19 part of a regularly scheduled meeting. Notice of the time and
20 place of the meeting, including a general explanation of the
21 matter to be considered, and a statement that the data required by
22 this section is available, shall be mailed at least 14 days prior to
23 the meeting to any interested party who files a written request
24 with the local agency for mailed notice of the meeting on new or
25 increased fees or service charges. Any written request for mailed
26 notices shall be valid for one year from the date on which it is
27 filed unless a renewal request is filed. Renewal requests for
28 mailed notices shall be filed on or before April 1 of each year.
29 The legislative body may establish a reasonable annual charge
30 for sending notices based on the estimated cost of providing the
31 service. At least 10 days prior to the meeting, the local agency
32 shall make available to the public data indicating the amount of
33 cost, or estimated cost, required to provide the service for which
34 the fee or service charge is levied and the revenue sources
35 anticipated to provide the service, including General Fund
36 revenues. Unless there has been voter approval, as prescribed by
37 Section 66013 or 66014, no local agency shall levy a new fee or
38 service charge or increase an existing fee or service charge to an
39 amount which exceeds the estimated amount required to provide
40 the service for which the fee or service charge is levied. If,

1 however, the fees or service charges create revenues in excess of
2 actual cost, those revenues shall be used to reduce the fee or
3 service charge creating the excess.

4 (b) Any action by a local agency to levy a new fee or service
5 charge or to approve an increase in an existing fee or service
6 charge shall be taken only by ordinance or resolution. The
7 legislative body of a local agency shall not delegate the authority
8 to adopt a new fee or service charge, or to increase a fee or
9 service charge.

10 (c) Any costs incurred by a local agency in conducting the
11 meeting or meetings required pursuant to subdivision (a) may be
12 recovered from fees charged for the services which were the
13 subject of the meeting.

14 (d) This section shall apply only to fees and charges as
15 described in Sections 51287, 56383, 65104, 65456, 65584.1,
16 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code,
17 Sections 17951, 19132.3, and 19852 of the Health and Safety
18 Code, Section 41901 of the Public Resources Code, and Section
19 21671.5 of the Public Utilities Code.

20 (e) Any judicial action or proceeding to attack, review, set
21 aside, void, or annul the ordinance, resolution, or motion levying
22 a fee or service charge subject to this section shall be brought
23 pursuant to Section 66022.

24 SEC. 20. Section 66022 of the Government Code is amended
25 to read:

26 66022. (a) Any judicial action or proceeding to attack,
27 review, set aside, void, or annul an ordinance, resolution, or
28 motion adopting a new fee or service charge, or modifying or
29 amending an existing fee or service charge, adopted by a local
30 agency, as defined in Section 66000, shall be commenced within
31 120 days of the effective date of the ordinance, resolution, or
32 motion.

33 If an ordinance, resolution, or motion provides for an automatic
34 adjustment in a fee or service charge, and the automatic
35 adjustment results in an increase in the amount of a fee or service
36 charge, any action or proceeding to attack, review, set aside,
37 void, or annul the increase shall be commenced within 120 days
38 of the effective date of the increase.

39 (b) Any action by a local agency or interested person under
40 this section shall be brought pursuant to Chapter 9 (commencing

1 with Section 860) of Title 10 of Part 2 of the Code of Civil
2 Procedure.

3 (c) This section shall apply only to fees, capacity charges, and
4 service charges described in and subject to Sections 66013,
5 66014, and 66016.

6 SEC. 21. Section 66448 of the Government Code is amended
7 to read:

8 66448. In all cases where a parcel map is required, the parcel
9 map shall be based upon a field survey made in conformity with
10 the Land Surveyors Act when required by local ordinance, or, in
11 absence of that requirement, shall be based either upon a field
12 survey made in conformity with the Land Surveyors Act or be
13 compiled from recorded or filed data when sufficient recorded or
14 filed survey monumentation presently exists to enable the
15 retracement of the exterior boundary lines of the parcel map and
16 the establishment of the interior parcel or lot lines of the parcel
17 map.

18 SEC. 22. Section 66499.7 of the Government Code is
19 amended to read:

20 66499.7. The security furnished by the subdivider shall be
21 released in whole or in part in the following manner:

22 (a) Security given for faithful performance of any act or
23 agreement shall be released upon the performance of the act or
24 final completion and acceptance of the required work. The
25 legislative body may provide for the partial release of the
26 security upon the partial performance of the act or the acceptance
27 of the work as it progresses, consistent with the provisions of this
28 section. The security may be a surety bond, a cash deposit, a
29 letter of credit, escrow account, or other form of performance
30 guarantee required as security by the legislative body that meets
31 the requirements as acceptable security pursuant to law. If the
32 security furnished by the subdivider is a documentary evidence
33 of security such as a surety bond or a letter of credit, the
34 legislative body shall release the documentary evidence and
35 return the original to the issuer upon performance of the act or
36 final completion and acceptance of the required work. In the
37 event that the legislative body is unable to return the original
38 documentary evidence to the issuer, the security shall be released
39 by written notice sent by certified mail to the subdivider and
40 issuer of the documentary evidence within 30 days of the

1 acceptance of the work. The written notice shall contain a
2 statement that the work for which the security was furnished has
3 been performed or completed and accepted by the legislative
4 body, a description of the project subject to the documentary
5 evidence and the notarized signature of the authorized
6 representative of the legislative body.

7 (b) At the time that the subdivider believes that the obligation
8 to perform the work for which security was required is complete,
9 the subdivider may notify the local agency in writing of the
10 completed work, including a list of work completed. Upon
11 receipt of the written notice, the local agency shall have 45 days
12 to review and comment or approve the completion of the
13 required work. If the local agency does not agree that all work
14 has been completed in accordance with the plans and
15 specifications for the improvements, it shall supply a list of all
16 remaining work to be completed.

17 (c) Within 45 days of receipt of the list of remaining work
18 from the local agency, the subdivider may then provide cost
19 estimates for all remaining work for review and approval by the
20 local agency. Upon receipt of the cost estimates, the local agency
21 shall then have 45 days to review, comment, and approve,
22 modify, or disapprove those cost estimates. No local agency shall
23 be required to engage in this process of partial release more than
24 once between the start of work and completion and acceptance of
25 all work; however, nothing in this section prohibits a local
26 agency from allowing for a partial release as it otherwise deems
27 appropriate.

28 (d) If the local agency approves the cost estimate, the local
29 agency shall release all performance security except for security
30 in an amount up to 200 percent of the cost estimate of the
31 remaining work. The process allowing for a partial release of
32 performance security shall occur when the cost estimate of the
33 remaining work does not exceed 20 percent of the total original
34 performance security unless the local agency allows for a release
35 at an earlier time. Substitute bonds or other security may be used
36 as a replacement for the performance security, subject to the
37 approval of the local agency. If substitute bonds or other security
38 is used as a replacement for the performance security released,
39 the release shall not be effective unless and until the local agency
40 receives and approves that form of replacement security. A

1 reduction in the performance security, authorized under this
2 section, is not, and shall not be deemed to be, an acceptance by
3 the local agency of the completed improvements, and the risk of
4 loss or damage to the improvements and the obligation to
5 maintain the improvements shall remain the sole responsibility of
6 the subdivider until all required public improvements have been
7 accepted by the local agency and all other required improvements
8 have been fully completed in accordance with the plans and
9 specifications for the improvements.

10 (e) The subdivider shall complete the works of improvement
11 until all remaining items are accepted by the local agency.

12 (f) Upon the completion of the improvements, the subdivider,
13 or his or her assigns, shall be notified in writing by the local
14 agency within 45 days.

15 (g) Within 45 days of the issuance of the notification by the
16 local agency, the release of any remaining performance security
17 shall be placed upon the agenda of the legislative body of the
18 local agency for approval of the release of any remaining
19 performance security. If the local agency delegates authority for
20 the release of performance security to a public official or other
21 employee, any remaining performance security shall be released
22 within 60 days of the issuance of the written statement of
23 completion.

24 (h) Security securing the payment to the contractor, his or her
25 subcontractors and to persons furnishing labor, materials or
26 equipment shall, after passage of the time within which claims of
27 lien are required to be recorded pursuant to Article 3
28 (commencing with Section 3114) of Chapter 2 of Title 15 of Part
29 4 of Division 3 of the Civil Code and after acceptance of the
30 work, be reduced to an amount equal to the total claimed by all
31 claimants for whom claims of lien have been recorded and notice
32 thereof given in writing to the legislative body, and if no claims
33 have been recorded, the security shall be released in full.

34 (i) The release shall not apply to any required guarantee and
35 warranty period required by Section 66499.9 for the guarantee or
36 warranty nor to the amount of the security deemed necessary by
37 the local agency for the guarantee and warranty period nor to
38 costs and reasonable expenses and fees, including reasonable
39 attorneys' fees.

1 (j) The legislative body may authorize any of its public
2 officers or employees to authorize release or reduction of the
3 security in accordance with the conditions hereinabove set forth
4 and in accordance with any rules that it may prescribe.

5 (k) This section shall remain in effect only until January 1,
6 2011, and as of that date is repealed, unless a later enacted
7 statute, that is enacted before January 1, 2011, deletes or extends
8 that date.

9 SEC. 23. Section 2051 of the Health and Safety Code is
10 amended to read:

11 2051. A district may authorize the members of its board of
12 trustees and its employees to attend professional, educational, or
13 vocational meetings, and pay their actual and necessary traveling
14 and incidental expenses while on official business. The payment
15 of expenses pursuant to this section may be in addition to the
16 payments made pursuant to Section 2030. Reimbursement for
17 these expenses is subject to Sections 53232.2 and 53232.3 of the
18 Government Code.

19 SEC. 24. Section 33327 of the Health and Safety Code is
20 amended to read:

21 33327. After receipt of any preliminary redevelopment plan
22 pursuant to Section 33325, the agency shall transmit to the
23 county auditor and county assessor of the county in which the
24 proposed project is located, or to the officer or officers
25 performing the functions of the auditor or assessor for any taxing
26 agencies which, in levying or collecting its taxes, do not use the
27 county assessment roll or do not collect its taxes through the
28 county, to the legislative or governing bodies of local agencies
29 which receive a portion of the property tax levied pursuant to
30 Part 0.5 (commencing with Section 50) of the Revenue and
31 Taxation Code and to the State Board of Equalization:

32 (a) A description of the boundaries of the project area.

33 (b) A statement that a plan for the redevelopment of the area is
34 being prepared.

35 (c) A map indicating the boundaries of the project area.

36 In addition, the agency may include a listing, by tax rate area,
37 of all parcels within the boundaries of the project area and the
38 value used for each parcel on the secured property tax roll.

39 Thereafter, if the boundaries of the proposed project are
40 changed, the agency shall notify the taxing officials and the State

1 Board of Equalization within 30 days by transmitting a
2 description and map indicating each boundary change made. The
3 State Board of Equalization shall prescribe the format of the
4 description of boundaries and statements, and the form, size,
5 contents, and number of copies of the map required to be
6 transmitted pursuant to this section.

7 SEC.25. Section 33375 of the Health and Safety Code is
8 amended to read:

9 33375. After the adoption by the legislative body of a
10 redevelopment plan that contains the provision permitted by
11 Section 33670, the clerk of the community shall transmit a copy
12 of the description and statement recorded pursuant to Section
13 33373, a copy of the ordinance adopting the plan, and a map or
14 plat indicating the boundaries of the project area to the auditor
15 and assessor of the county in which the project is located; to the
16 officer or officers performing the functions of auditor or assessor
17 for any taxing agencies which, in levying or collecting its taxes,
18 do not use the county assessment roll or do not collect its taxes
19 through the county; to the governing body of each of the taxing
20 agencies which levies taxes upon any property in the project
21 area; and to the State Board of Equalization.

22 Those documents shall be transmitted within 30 days following
23 the adoption of the redevelopment plan. The legal effect of those
24 transmittals shall be as set forth in Section 33674.

25 SEC. 26. Section 40980 of the Health and Safety Code is
26 amended to read:

27 40980. (a) The Sacramento district shall, at a minimum, be
28 governed by a district board composed of the Board of
29 Supervisors of the County of Sacramento.

30 (b) If the County of Placer submits a resolution of inclusion,
31 pursuant to Section 40963, one or more elected officials from
32 that county shall be included on the Sacramento district board,
33 pursuant to agreement between that county and the Sacramento
34 district board.

35 (c) (1) The membership of the Sacramento district board
36 shall include one or more members who are mayors or city
37 council members, or both, and one or more members who are
38 county supervisors.

39 (2) The number of those members and their composition shall
40 be determined jointly by the counties and cities within the

1 district, and shall be approved by a majority of the counties, and
2 by a majority of the cities which contain a majority of the
3 population in the incorporated area of the district.

4 (d) The governing board shall reflect, to the extent feasible
5 and practicable, the geographic diversity of the district and the
6 variation of population between the cities in the district.

7 (e) (1) Except as provided in paragraph (2), the members of
8 the governing board who are mayors or city council members
9 shall be selected by the city council of the city that they
10 represent. The members of the governing board who are county
11 supervisors shall be selected by the county if the district only
12 contains one county or a majority of counties within the district if
13 the district contains more than one county.

14 (2) The city selection committee shall be convened to select a
15 member of the governing board from nominees who are mayors
16 or city council members only if there is to be a change in a board
17 member designated to represent more than one city, and only if
18 more than one of those cities submits nominees for that board
19 member position.

20 (f) (1) If the district fails to comply with subdivision (c),
21 one-third of the members of the governing board shall be mayors
22 or city council members, and two-thirds shall be county
23 supervisors. The number of those members shall be determined
24 as provided in paragraph (2) of subdivision (c), and the members
25 shall be selected pursuant to subdivision (e).

26 (2) For purposes of paragraph (1), if any number which is not
27 a whole number results from the application of the term
28 “one-third” or “two-thirds,” the number of county supervisors
29 shall be increased to the nearest integer, and the number of
30 mayors or city council members decreased to the nearest integer.

31 SEC. 27. Section 20736 of the Public Contract Code is
32 amended to read:

33 20736. (a) All construction authorized under this article that
34 exceeds two thousand five hundred dollars (\$2,500) shall be
35 awarded upon competitive bidding. Notice of the proposed
36 letting of such a contract shall be published pursuant to Section
37 6066 of the Government Code in a newspaper of general
38 circulation in the district or, if there is none, of general
39 circulation in the county, the first publication to be at least two
40 weeks prior to the opening of bids. The notice inviting bids shall

1 set a date for the opening of bids. The contract shall be awarded
2 to the lowest responsible bidder. In its discretion, the board may
3 reject any bids presented and readvertise. If two or more bids are
4 the same and the lowest, the board may accept the one it chooses.
5 If no bids are received, the board may have the work done
6 directly by purchasing the materials and hiring the labor.

7 (b) If all bids are rejected, the board may adopt a resolution,
8 by four-fifths vote, declaring that the work can be performed
9 more economically by hiring day labor, or that the materials or
10 supplies can be furnished at a lower price in the open market, and
11 may have the work done in the manner stated in the resolution in
12 order to take advantage of this lower cost.

13 (c) If there is an emergency, the board may, by four-fifths vote
14 adopt a resolution declaring that the public interest and necessity
15 demand the immediate expenditure of public money to safeguard
16 life, health, or property, and expend any sum required in the
17 emergency without submitting the expenditure to the bidding
18 procedure set forth. If notice for bid to let contracts will not be
19 given, the board shall comply with Chapter 2.5 (commencing
20 with Section 22050).

21 (d) The board may negotiate with the government of the
22 United States or any department or agency thereof, the state or
23 any department or agency thereof, or any local public agency for
24 the purpose of assisting the district in the performance of any of
25 the work authorized by this article and, without advertising for
26 bids, may cause the district to contribute to the United States, the
27 State of California, or any local public agency all or any portion
28 of the estimated cost of any work authorized by this article which
29 is to be done by or under contract with the United States, the
30 State of California, or any local public agency.

31 SEC. 28. Section 22032 of the Public Contract Code is
32 amended to read:

33 22032. (a) Public projects of thirty thousand dollars
34 (\$30,000) or less may be performed by the employees of a public
35 agency by force account, by negotiated contract, or by purchase
36 order.

37 (b) Public projects of one hundred twenty-five thousand
38 dollars (\$125,000) or less may be let to contract by informal
39 procedures as set forth in this article.

1 (c) Public projects of more than one hundred twenty-five
2 thousand dollars (\$125,000) shall, except as otherwise provided
3 in this article, be let to contract by formal bidding procedure.

4 SEC. 29. Section 22034 of the Public Contract Code is
5 amended to read:

6 22034. Each public agency that elects to become subject to
7 the uniform construction accounting procedures set forth in
8 Article 2 (commencing with Section 22010) shall enact an
9 informal bidding ordinance to govern the selection of contractors
10 to perform public projects pursuant to subdivision (b) of Section
11 22032. The ordinance shall include all of the following:

12 (a) The public agency shall maintain a list of qualified
13 contractors, identified according to categories of work. Minimum
14 criteria for development and maintenance of the contractors list
15 shall be determined by the commission.

16 (b) All contractors on the list for the category of work being
17 bid or all construction trade journals specified in Section 22036,
18 or both all contractors on the list for the category of work being
19 bid and all construction trade journals specified in Section 22036,
20 shall be mailed a notice inviting informal bids unless the product
21 or service is proprietary.

22 (c) All mailing of notices to contractors and construction trade
23 journals pursuant to subdivision (b) shall be completed not less
24 than 10 calendar days before bids are due.

25 (d) The notice inviting informal bids shall describe the project
26 in general terms and how to obtain more detailed information
27 about the project, and state the time and place for the submission
28 of bids.

29 (e) The governing body of the public agency may delegate the
30 authority to award informal contracts to the public works
31 director, general manager, purchasing agent, or other appropriate
32 person.

33 (f) If all bids received are in excess of one hundred
34 twenty-five thousand dollars (\$125,000), the governing body of
35 the public agency may, by adoption of a resolution by a
36 four-fifths vote, award the contract, at one hundred thirty-seven
37 thousand five hundred dollars (\$137,500) or less, to the lowest
38 responsible bidder, if it determines the cost estimate of the public
39 agency was reasonable.

1 SEC. 30. Section 5784.2 is added to the Public Resources
2 Code, to read:

3 5784.2. (a) Notwithstanding any other provision of law, a
4 local agency formation commission, in approving either a
5 consolidation of districts or the reorganization of two or more
6 districts into a single recreation and park district, pursuant to
7 subdivisions (k) and (n) of Section 56886 of the Government
8 Code, may temporarily increase the number of directors to serve
9 on the board of directors of the consolidated or reorganized
10 district to seven or nine, who shall be members of the board of
11 directors of the districts to be consolidated or reorganized as of
12 the effective date of the consolidation or reorganization.

13 (b) Upon the expiration of the terms of the members of the
14 board of directors of the consolidated or reorganized district,
15 whose terms first expire following the effective date of the
16 consolidation or reorganization, the total number of members on
17 the board of directors shall be reduced until the number equals
18 five members.

19 (c) In addition to the powers granted under Section 1780 of the
20 Government Code, in the event of a vacancy on the board of
21 directors of the consolidated or reorganized district at which time
22 the total number of directors is greater than five, the board of
23 directors may, by majority vote of the remaining members of the
24 board, choose not to fill the vacancy. In that event, the total
25 membership of the board of directors shall be reduced by one
26 board member.

27 (d) For the purposes of this section, the following definitions
28 apply:

29 (1) "Consolidation" means consolidation as defined in Section
30 56030 of the Government Code.

31 (2) "District" or "special district" means district or special
32 district as defined in Section 56036 of the Government Code.

33 (3) "Reorganization" means reorganization as defined in
34 Section 56073 of the Government Code.

35 SEC. 31. Chapter 5 (commencing with Section 5790) of
36 Division 5 of the Public Resources Code is repealed.

37 SEC. 32. Section 2215 of the Revenue and Taxation Code is
38 amended to read:

39 2215. "Special district" means any agency of the state for the
40 local performance of governmental or proprietary functions

1 within limited boundaries. “Special district” includes a county
2 service area, a maintenance district or area, an improvement
3 district or improvement zone, or any other zone or area, formed
4 for the purpose of designating an area within which a property
5 tax rate will be levied to pay for a service or improvement
6 benefiting that area. “Special district” does not include a city, a
7 county, a school district or a community college district. “Special
8 district” does not include any agency which is not authorized by
9 statute to levy a property tax rate or receive an allocation of
10 property tax revenues. However, for the purpose of the allocation
11 of property taxes pursuant to Chapter 6 (commencing with
12 Section 95) of Part 0.5, and notwithstanding Section 2237, any
13 special district authorized to levy a property tax or receive an
14 allocation of property tax by the statute under which the district
15 was formed shall be considered a special district.

16 SEC. 33. The Legislature finds and declares that the
17 amendments to Section 65457 of the Government Code made by
18 Section 10 of this act do not constitute a substantive change to
19 that section.

20 *SEC. 34. Section 13.5 of this bill incorporates amendments to*
21 *Section 53359.5 of the Government Code proposed by both this*
22 *bill and Senate Bill No. 1432. It shall only become operative if*
23 *(1) both bills are enacted and become effective on or before*
24 *January 1, 2007, (2) each bill amends Section 53359.5 of the*
25 *Government Code, and (3) this bill is enacted after Senate Bill*
26 *No. 1432, in which case Section 13 of this bill shall not become*
27 *operative.*

28 ~~SEC. 34.~~

29 SEC. 35. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district pursuant to Section 26 of this act which amends Section
33 40980 of the Health and Safety Code are the result of a program
34 for which legislative authority was requested by that local agency
35 or school district, within the meaning of Section 17556 of the
36 Government Code and Section 6 of Article XIII B of the
37 California Constitution.